NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

FLAG MANUFACTURING **INDUSTRY**

AS APPROVED ON MARCH 16, 1935



UNITED STATES GOVERNMENT PRINTING OFFICE WASHINGTON: 1935

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AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

FLAG MANUFACTURING INDUSTRY

As Approved on March 16, 1935

ORDER

Approving Amendment of Code of Fair Competition for the Flag
Manufacturing Industry

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of an amendment to the Code of Fair Competition for the Flag Manufacturing Industry, and opportunity to be heard having been duly afforded all interested parties and the annexed report on said amendment, containing findings with respect thereto having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, dated September 27, 1934, and otherwise, does hereby incorporate, by reference said annexed report and does find that said amendment and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said amendment be and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code as amended.

NATIONAL INDUSTRIAL RECOVERY BOARD, By W. A. HARRIMAN, Administrative Officer.

Approval recommended:

PRENTISS L. COONLEY,

Division Administrator.

Washington, D. C., March 16, 1935.

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REPORT TO THE PRESIDENT

The PRESIDENT,

The White House.

Sir: This is a report on an amendment to the Code of Fair Competition for the Flag Manufacturing Industry. The amendment which is attached was presented by the Code Authority for the Flag Manufacturing Industry.

Notice of opportunity to be heard was given all interested parties,

and the one objection received was given careful consideration.

The Amendment provides that Article VI, Section 8 (f) of the Code shall be amended to provide for the mandatory payment of Code Assessments. It further provides that Section 5 and Section 8 (k) shall be deleted from the Code.

The Deputy Administrator in his final report on said amendment to said Code having found as set forth and on the basis of all pro-

ceedings in this matter,

The National Industrial Recovery Board finds that

(a) The amendment to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor and otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7 and

Subsection (b) of Section 10 thereof.

(c) The Code empowers the Code Authority to present the aforesaid amendment on behalf of the Industry as a whole.

(d) The amendment and the Code as amended are not designed

to and will not permit monopolies or monopolistic practices.

(e) The amendment and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to the approval of said amendment.

For the above reasons this amendment has been approved.

For the National Industrial Recovery Board:

W. A. HARRIMAN, Administrative Officer.

March 16, 1935.

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Section 5 and Section 8 (g) of Article VI shall be deleted from the Code. Sections 6, 7 and 8 of Article VI shall be changed to Sections 5, 6 and 7 respectively. Sections 8 (h) and 8 (i) of Article VI shall be changed to Sections 7 (g) and 7 (h) respectively. Section 8 (f) of Article VI shall become Section 7 (f) and shall be amended to read as follows:

It being found necessary in order to support the administration of this Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the Code

Authority is authorized:

1. To incur such reasonable obligations as are necessary and proper for the foregoing purposes, and to meet such obligations out of funds which may be raised as hereinafter provided and which

shall be held in trust for the purposes of the Code.

2. To submit to the National Industrial Recovery Board for its approval, subject to such notice and opportunity to be heard as it may deem necessary (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry.

3. After such budget and basis of contribution have been approved by the National Industrial Recovery Board, to determine and obtain equitable contribution as above set forth by all members of the Industry, and to that end if necessary, to institute legal proceedings

therefor in its own name.

- 4. Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the National Industrial Recovery Board. Only members of the Industry complying with the Code and contributing to the expenses of its administration as hereinabove provided, (unless duly exempted from making such contributions) shall be entitled to participate in the selection of members of the Code Authority or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.
- 5. The Code Authority shall neither incur nor pay any obligations substantially in excess of the amount thereof as estimated in its approved budget, and shall in no event exceed the total amount contained in the approved budget, except upon approval of the National Industrial Recovery Board; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the National Industrial Recovery Board shall have so approved.

Approved Code No. 352—Amendment No. 1. Registry No. 234–1–01.



